

2012 RECOMMENDED BUDGET MESSAGE

FROM THE FRANKLIN COUNTY ADMINISTRATOR

I am pleased to recommend Franklin County's 2012 operating budget. In response to the Commissioners' direction, we are presenting a budget that is balanced, fiscally responsible, and meets the essential needs of Franklin County residents by focusing on community safety, job creation, health and human services, stewardship of natural resources and the environment, and by assuring fiscally sustainable government operations.

The county must maintain a prudent and sustainable long-range budgeting strategy in order to stay among the best managed counties in the nation. We must control planned expenditures during the current period of minimal or negative revenue growth. The 2012 Recommended Budget is aligned with the current conditions of the regional economy. **Fully understanding that the county must live within its means, the 2012 Recommended General Fund Budget is 2.4% less than last year's budget.** Excluding reserves and debt, the 2012 General Fund Recommended Budget will decrease by \$7.1 million or 2.7% below the approved 2011 General Fund budget.

Year-over-Year General Fund Budget Comparison			
2011 vs. 2012 Appropriations			
	2011 Approved <u>Budget</u>	2012 Recommended <u>Budget</u>	<u>% Change</u>
General Fund	\$308,124,092	\$300,782,056	-2.4%
General Fund less Reserves & Debt	\$260,377,404	\$253,298,469	-2.7%

The Recommended Budget for 2012, like the 2011 budget, has been very challenging due to the difficult economy and its impacts. County agencies also must absorb over \$33 million dollars in funding reductions as a result of the policy changes

contained in the current State operating budget. The forecast for 2012 General Fund revenue is for a decline of 2% compared to the 2011 Approved Budget; and revenue for non-general funds is projected to decrease by 6.8%. While some revenue sources have improved, others are still being affected by changes in the economy. With the constraints on revenue, 2011 projected revenues are \$1.8 million below the approved budget. Meanwhile, the county has continued to fund mandated and other essential services while also ensuring that sufficient cash reserves are in place to protect our double AAA bond rating and meet future needs should the economy relapse into another downturn.

The 2012 Recommended Budget also reflects a solid commitment to the County Commissioners' goal to advance the priorities of our community through the following core principles:

- Provide Community Safety, Security, and Effective Justice;
- Promote Job Creation, Strategic Economic Development, and Fiscal Security;
- Provide Supportive Health and Human Services;
- Promote Good Stewardship of Natural Resources, Environmental Sustainability, and Civic Engagement; and
- Provide Efficient, Responsive, and Fiscally Sustainable Government Operations.

Year-over-Year Budget Comparison			
2011 vs. 2012			
	2011 Approved Budget*	2012 Recommended Budget	% Change
General Fund	\$308,124,092	\$300,782,056	-2.4%
Other Revenue Funds	\$1,092,819,819	\$1,017,003,726	-6.9%
Total Franklin County	\$1,400,943,911	\$1,317,785,782	-5.9%

* Other Revenue Funds for 2011 excludes \$244 million in budget reserves for the Board of Developmental Disabilities, which are not budgeted in 2012.

Community Safety and Effective Justice

The greatest and most basic priority in this budget is Community Safety and Effective Justice. **Nearly 68% of the county's General Fund budget will be spent to prosecute crimes, deliver justice, confine inmates, and assure public safety for Franklin County residents.** In the Sheriff's Office, the budget supports the

continuation of civil enforcement activities, criminal investigations, responses to calls for service, patrols, and safety education services in our community. Also in the Sheriff's Office, the budget supports the jailing of convicted adult offenders. The custody/jail operations program in the Sheriff's Office is the County's largest single General Fund program.

Job Creation and Strategic Economic Development

The 2012 Recommended Budget in the Economic Development and Planning Department (EDP) includes \$2.1 million in economic development incentive grants. Also in the EDP budget is \$180,250 from the Ohio Department of Natural Resources that will be used to develop recycling operations for wood, waxed cardboard, glass, and food waste. EDP also administers \$1 million for home rehabilitation grants, \$625,000 for economic development opportunity grants, \$603,315 in older suburb grants, \$188,995 for target area rehabilitation grants, and \$1.2 million from the Community Development Block Grant to support the Neighborhood Stabilization Program, which provides funds to purchase foreclosed or abandoned homes and in order to rehabilitate them and resell them. Additional programs that impact economic development are described later in this presentation.

Health and Human Services

The health and human services category is the largest in the "all funds" budget, comprising 51.8% of the total. Franklin County delivers a variety of health and human services which are supported by property tax levies, and by state and federal funds. Developments in several of these programs are discussed later in this presentation.

The 2012 Recommended Budget also reflects the county's commitment to the men and women of Franklin County who have served in the armed forces of our country and includes \$4.8 million in General Fund appropriations for the Veterans Service Commission. The Veterans Service Commission budget includes resources to meet the dental health care, housing, medical, utility, and transportation needs for Franklin County veterans who could otherwise not meet these basic needs. The Recommended Budget also affirms and maintains the county's support for the Community Shelter Board's Rebuilding Lives Programs. Also in General Fund appropriations is \$3.9 million for health and human services in the Community Partnership Contract Services program, which will be discussed later.

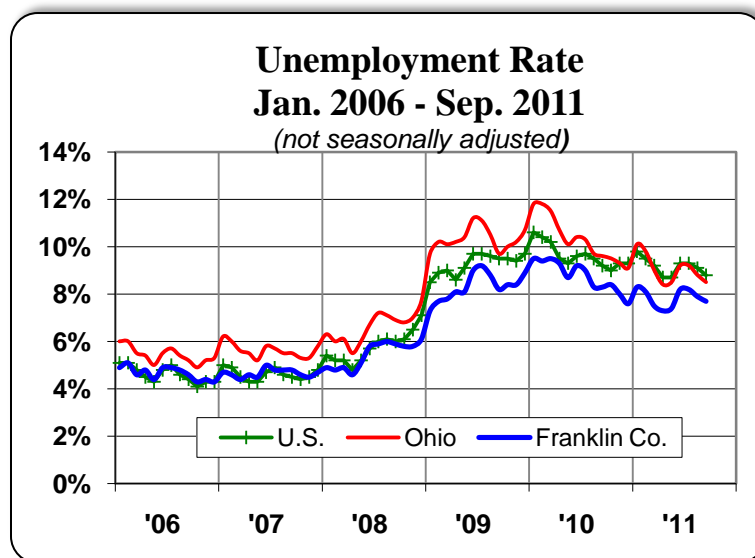
Good Stewardship of Natural Resources and the Environment

Franklin County is committed to the principles of providing good stewardship for our natural resources and the environment. The county's commitment is evidenced by

the policy standards set by Commissioner Resolution 683-06. Since 2004 through 2011, 2,909 homes with failing on-lot septic systems have been provided access to sanitary sewers. This program will continue in 2012 and future years and is described later in the presentation. Guided by the environmental policies set forth in Commissioner Resolution 683-06, the Recommended Budget maintains a Storm Water Management Control Program and continues the Water Quality Partnership program initiatives to bring another 364 homes with failing on-lot septic systems into compliance with clean water laws. Also included is continuing support for the Big Darby Accord Center plan and a commitment to accelerate the county's clean energy, and energy conservation measures.

Efficient, Responsive, and Fiscally Responsible Government Operations

Franklin County benefits from a diverse economy and population growth experienced by few other metropolitan areas in the central states region. But like those other metropolitan areas, Franklin County also faces multiple challenges, such as the loss of jobs, the rise in home mortgage foreclosures, increased energy costs, growing needs for justice and public safety services, limited federal and state grants-in-aid, and global competition for growth and development. Franklin County's unemployment rate rose for much of 2008 and 2009, and reached a peak of 9.5% in January 2010. Since then the rate has declined to 7.7% in September, 2011. These rates of unemployment undermine the county's tax base and at the same time increase our population's needs for the services that the county provides. In addition, the slump in the real estate market has impacted property taxes and fees associated with real estate transactions and document filings that are revenue for the county.



Despite the challenges, Franklin County is one of only 55 counties nationwide with AAA credit ratings from the two major bond rating agencies. **These outstanding credit ratings place Franklin County in the top 2% of all counties in the nation. According to these ratings agencies, Franklin County's credit quality reflects our economic strength, our management team's strength, and our moderate debt burden.** The county's solid credit ratings minimize the interest expense paid to finance various construction and other capital projects.

The recommendations included in this budget fully conform to Franklin County's fiscal sustainability policy standards in Commissioner Resolution 928-08.

Those sustainability standards are:

- limiting GRF budget growth to the change in the Midwest Consumer Price Index (U.S. City Average) as published by the U.S. Department of Labor;
- controlling payroll expenditures;
- limiting debt service obligations to no more than 5% of resources available in the GRF;
- controlling fuel and energy expenditures;
- controlling discretionary expenditures; and,
- cost effectively managing the county health care expenditures.

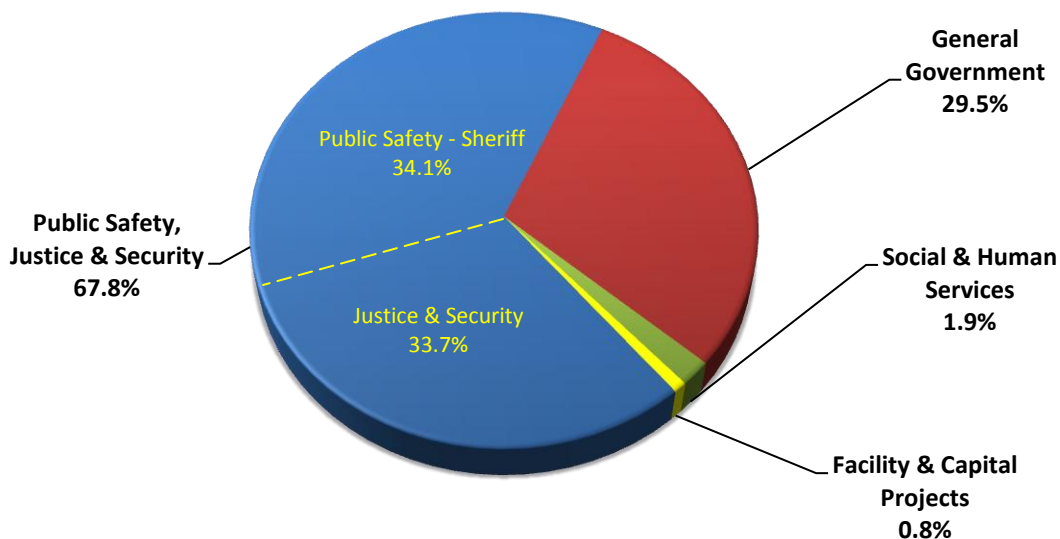
Following those policy standards, the 2012 Recommended Budget demonstrates structural integrity. This means that total operating spending is less than total operating revenue, and that the use of carryover cash balances will be limited to capital outlays, appropriated reserves, and debt retirement.

With respect to expenditures and the demand for services, \$317.8 million worth of General Fund agency requests were analyzed and considered before the 2012 recommended budget was formed. **The recommended General Fund budget of \$300.8 million is 5.4% less than the total amount of agency requests.** The Office of Management and Budget fully assessed the budget request of every office, department, board, and commission within the context of the county's mandatory needs and statutory duties. Because our resources are limited, every agency must ensure that its programs operate at maximum efficiency. Even so, county officials will be challenged by increased demand for services and a significant increase in health care costs.

Based largely on the accomplishments of the Joint Benefits Committee, the county continues to show success in reducing the rate of increase for health, wellness, and disease management benefit program expenditures. While the national average cost increase for employer-provided health benefits will exceed 10.5%, the cost per participant in Franklin County's cooperative health benefits program is expected to increase by no more than 8%, year-over-year. Due to the change to an April 1 plan year, this will result in a 6% increase between the 2011 and 2012 annual operating budgets.

Recommendations made in this budget have been benchmarked with Ohio's other large urban counties to ensure that we follow the best practices of our urban county peer group.

2012 General Fund Recommended Budget Expenditures by Function \$253.3 million (excluding Reserves & Debt)



Note: The 2012 Recommended Budget includes \$47.5 million in Reserves & Debt.

GENERAL FUND FISCAL CONDITIONS

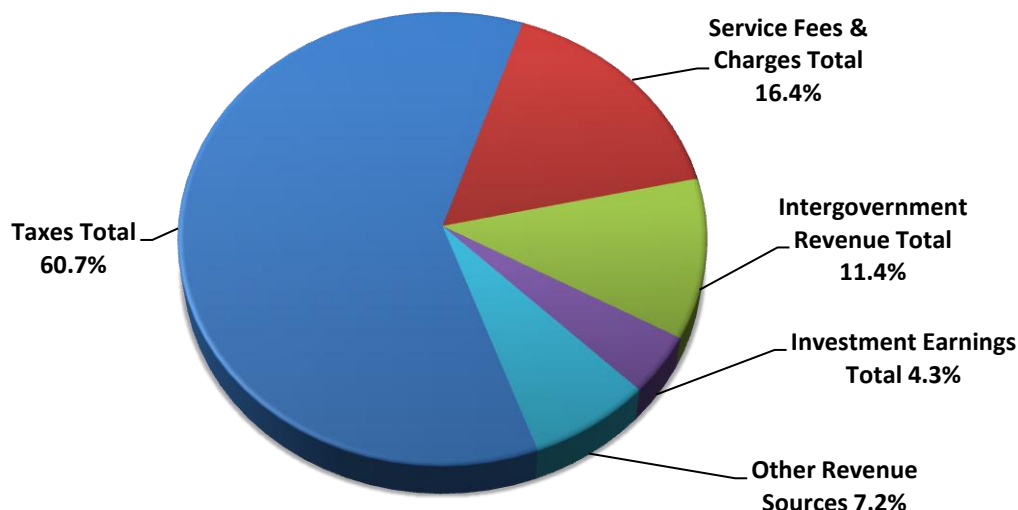
Franklin County has a prudent level of cash reserves. Reserves are sufficient to weather the continuing impacts of the economic recession, if there is no relapse into a protracted downturn. However, the relationship between federal, state, and local government has been dramatically changed by the federal and state governments' withdrawal from the historic shared tradition to meet basic service needs of local communities. The Recommended Budget maintains our Economic Stabilization Reserve ("rainy day fund") at the maximum amount permitted by state law. State law provides that rainy day funds are for the purpose of stabilizing budgets against cyclical changes in revenues and expenditures, and limits the amount of money to be reserved in any fiscal year to 5% of the revenue credited in the preceding fiscal year to the fund in which the account is established. The budget also earmarks reserves for other major long term needs such as workers compensation risk, property and casualty risks, and

bond covenant pledges. A \$7.0 million contingency reserve is also provided for unanticipated operating needs or emergencies.

2010-2011 General Fund Revenue Estimates:

- In total, 2011 revenues are expected to be \$1.8 million less than the 2011 approved budget estimates.
- In total, 2012 revenues are expected to be \$5.8 million less than the 2011 approved budget estimate and \$3.9 million less than 2011 projected revenues.
- Sales tax revenues of \$136.9 million for 2012 are expected to be \$8.3 million (6.4%) more than the 2011 approved budget estimate. This year's sales tax revenues are projected to be a 5.5% increase over 2010. For 2012, OMB is projecting a 1.5% growth over the projection for 2011.
- Investment earnings for 2011 are expected to exceed the 2011 approved budget estimate of \$12.9 million by about \$700,000. This year's net investment earnings are projected to be \$5.0 million less than 2010 and \$12.2 million less than 2009. The 2012 Recommended Budget reflects a decrease from the projection for 2011 of 13.7%, at \$11.8 million.
- Real estate taxes are expected to fall short of the 2011 approved budget estimate of \$35.8 million by approximately \$110,000, but exceed the revised budget by about \$245,000. In 2012, real estate taxes are projected to be \$34.8 million.
- Conveyance fees for 2011 are projected to be about \$430,000 less than the 2011 approved budget estimate of \$6.1 million. The Auditor's Office is projecting a slight decrease from the projection for 2011 for 2012, at \$5.7 million.
- Housing of prisoner revenues are expected to be about \$125,000 less than 2011 approved budget estimate of \$7.8 million. In 2012, a \$170,000 (2.2%) decrease is projected from the 2011 approved budget level.
- The State Fiscal Year (SFY) 2012 and SFY 2013 operating budget for Ohio (H.B. 153) reduced local government support fund allocations by 25% in SFY 2012 and by 50% in SFY 2013. Losses to the Franklin County General Fund are estimated at \$0.9 million in 2011, \$7.3 million in 2012, and \$11.4 million in 2013. Taking these losses into account, the estimates for Local Government Fund (LGF) allocations for Franklin County are \$22.1 million in 2011 and \$15.8 million in 2012. This represents a reduction from LGF allocations in the 2011 approved budget of 4.1% in 2011 and 31.5% in 2012.

**2012 General Fund Recommended Budget
Total Revenues by Source
\$275.9 million**



Note: Other Revenue Sources includes Licenses & Permits, Fines & Forfeitures, Miscellaneous Revenue, Interfund

YEAR-OVER-YEAR BUDGET COMPARISONS

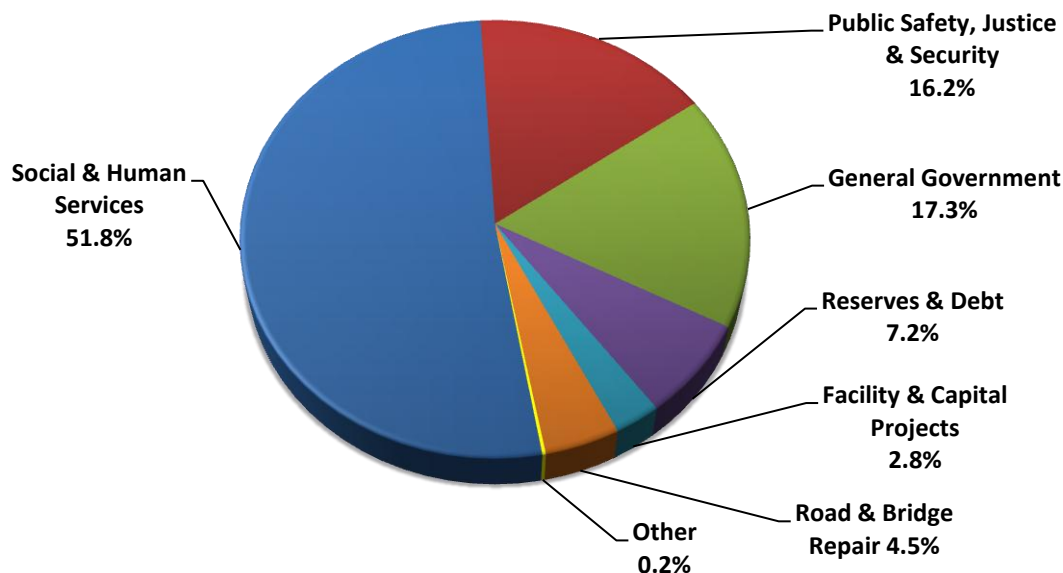
A General Fund budget appropriation of \$300.8 million is recommended for 2012, which represents a 2.4% decrease from the 2011 approved budget. Excluding reserves and debt, the 2012 General Fund Recommended Budget will decrease by \$7.1 million or 2.7% less than the approved 2011 General Fund budget.

Non-operating expenditures in the General Fund include:

- \$19.5 million for debt service obligations, compared to \$22.5 million in 2011;
- \$1.5 million for Interfund loans, compared to \$1.8 million in 2011; and
- \$0.5 million for Capital Maintenance Projects, compared to \$0.7 million in 2011.

The total amount of budget appropriations recommended for all county funds in 2012 is \$1.32 billion, which represents a net \$327.1 million (19.9%) decrease over the 2011 approved budget.

**2012 All Funds Recommended Budget
Expenditures by Function
\$1.32 billion**



2012 BUDGET HIGHLIGHTS

Budgeting for Policy Results and Outcomes

In accordance with Franklin County's fiscal sustainability policy standards in Commissioner Resolution 928-08, the Recommended Budget continues the county's managing for results initiative, offering leadership, day-to-day management and performance management services to county agencies so they can make informed resource allocation decisions and achieve performance targets established in their strategic business plans. The county continues to apply the standards of outcome-based budgeting and policy goal-centered management to both its operating and capital budgets.

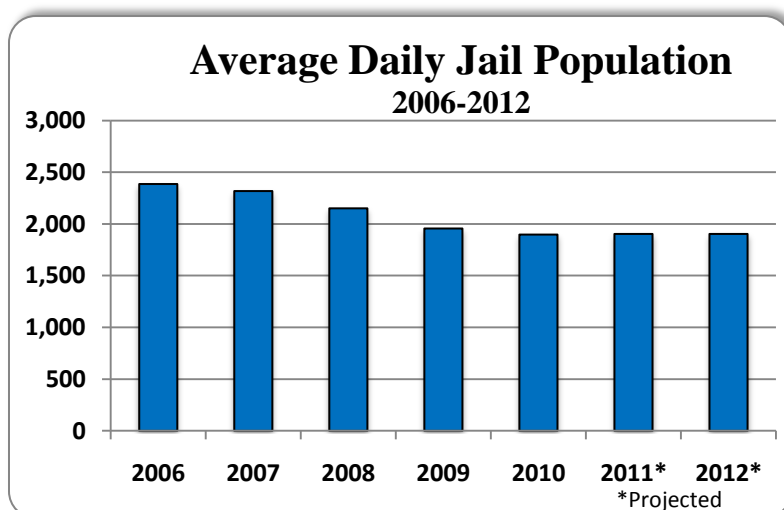
During 2011, in light of the new economic challenges confronting the county and the need for strategic thinking to keep pace, the county revised its core strategic principles and goals, refined strategies to attain these goals, and revised the strategic business plan and performance measurements systems for county programs. These important steps are part of a multi-year effort that is designed to better link program outcomes to county goals.

COMMUNITY SAFETY AND EFFECTIVE JUSTICE

As noted earlier, nearly 68% of the county's General Fund operating budget is spent to prosecute crimes, deliver justice, detain inmates, and provide public safety for the residents of Franklin County. The following sections summarize some of the developments in this area.

Jail Population

The average daily population of the Franklin County Jail has declined in the last few years due partly to fewer prisoners being housed for municipalities in Franklin County, and also due to the increased use of diversion programs in specialty dockets, as well as other factors leading to fewer arrests.



Court Specialty Dockets

One of the most significant developments in this area is the development of two specialty dockets in the Municipal Court. The Recommended Budget assumes a set-aside of a contingency reserve to continue support of the county-city and justice partnership related to the operation of these specialty dockets. The specialty dockets deal with cases involving solicitation and addiction, and have been established through a collaborative partnership with the City of Columbus, the Common Pleas and Municipal Courts, the Franklin County Prosecutor's Office, the Public Defender's Office, the Franklin County Sheriff's Office, and ADAMH. These specialty dockets help ensure that an adequate treatment response is accessible to non-violent defendants exhibiting histories of alcohol, chemical dependence, or solicitation. These dockets are proving successful in reducing the number of individual who are confined in the jail by reducing recidivism.

- The average number of jail nights for persons with mental illness has been reduced by 76%. Participants are repeat offenders who averaged 5.3 arrests before entering this program. The recidivism rate for this group has dropped to 0.2%.

- The average number of jail nights has been reduced by 80% for people whose felonies have been reduced to misdemeanors. The recidivism rate for this group has fallen to 1.6%.
- The average number of jail nights for persons with heroin addiction has been reduced by 57%. Although these individuals had an average of 4.6 prior arrests, their recidivism rate in the program is just 23%.
- The average number of jail nights for the long term program has been reduced by 62%. Where these individuals had an average of 2.9 prior arrests, this program's recidivism rate is less than 1%
- The number of jail nights for prostitution has been reduced by 94%.

Urban Area Security, Homeland Safety, & Emergency Management Initiatives

Franklin County has primary responsibility for system-wide, comprehensive justice planning and oversight. It also directs the application of federal grant resources towards justice services to enhance our community's health, safety, and welfare. The 2012 Recommended Budget includes the allocation of \$9.1 million in federal grants, which will be used for urban area security initiatives, justice assistance, law enforcement terrorism prevention, state homeland security, juvenile justice and delinquency prevention, and adult female victim assistance services. These grants will be awarded to local government and community-based agencies within Franklin County's urban area.

Residents rely upon Franklin County's system of outdoor warning sirens to protect them in severe weather conditions. Area coverage will be broadened in 2011 by increasing the number of warning sirens from 172 to 181 across the county. The 2012 Recommended Budget also includes \$564,339 to maintain Franklin County's warning siren system. Grant coordination and cost-recovery services for emergency situations will also be provided to safety forces and local governments.

Improved Public Records Access and Information

The Recommended Budget includes support for the implementation of an electronic filing system for the county's common pleas and appellate court systems. The Franklin County Court of Common Pleas Division of Domestic Relations and Juvenile branch will be working alongside the Franklin County Court of Common Pleas General Division, the Court of Appeals, and the Probate Court in order to implement an *e-Filing* solution. *E-Filing* will provide a case management program that will allow attorneys to file petitions and other documents electronically through the Internet, using

a web browser. This initiative is supported by the computerization budgets of the different courts according to each court's share of the total number of cases filed. The *e-Filing* system began to be rolled out in late September 2011 and rollouts continue in the several court branches based on a schedule approved by the *e-Governance* Committee. For 2012, \$1,011,353 is included in the Recommended Budget.

STEWARDSHIP OF NATURAL RESOURCES, THE ENVIRONMENT, AND CIVIC ENGAGEMENT

Green Building and Fleet Initiatives

The new Common Pleas courthouse opened in 2011 and has been awarded *LEED* Gold certification. The county has adopted green building policies and is applying Leadership in Energy and Environmental Design (*LEED*) certification standards and sustainable design concepts to all new construction. Energy conservation measures improve the efficiency of county facilities through building retrofit measures, including upgrades to the heating, ventilation, and air conditioning systems. Blue-bag programs are available in all buildings to recycle paper, cans, plastics, ink and toner cartridges, and Styrofoam materials. Recycled-content office paper will be purchased, and two-sided copies will be strongly encouraged. The Departments of Public Facilities Management and General Services continue to implement the Board of Commissioners Environmental Sustainability policy set forth in Resolution 683-06 which include the following standards:

- promote the use of products and services that enhance environmental, social, and economic health;
- practice responsible growth when establishing policy on land use, infrastructure development, green space preservation and preservation of natural resources;
- develop waste management policies that reduce environmental impact of solid waste and lessen the burden on landfills;
- reduce the demand for natural resources through energy efficiency, water conservation and sustainable land use by promoting the construction of high performance green buildings and improving the air quality through vehicular controls and alternative fuels.

Reducing fuel consumption was a major goal for Fleet Management this year. We needed to find ways to reduce usage and develop workable plans. This year Fleet investigated outside options to obtain fuel that would allow county vehicles to remain in their districts. Fleet began collaboration with the Road Engineer's office to give county

agencies the ability to obtain fuel at two additional fueling sites. This pilot effort showed that allowing cruisers to stay in their patrol districts reduced usage and eliminated some coverage issues for the Sheriff's Office. The Director of Fleet Management seeks to establish a plan to utilize some City of Columbus existing facilities for other divisions of our fleet to reduce travel time and fuel consumption just to obtain fuel.

Fleet will continue efforts to establish collaborative agreements with other governmental agencies to obtain fuel from multiple sources. With minimal replacement vehicles on the horizon we need to continue to provide safe vehicles to our drivers but maintenance on them will increase and down time will be longer.

Storm Water Management Investments

The Recommended Budget includes continued support for the county's Storm Water Management Control Program, including development and implementation of a storm water discharge control plan.

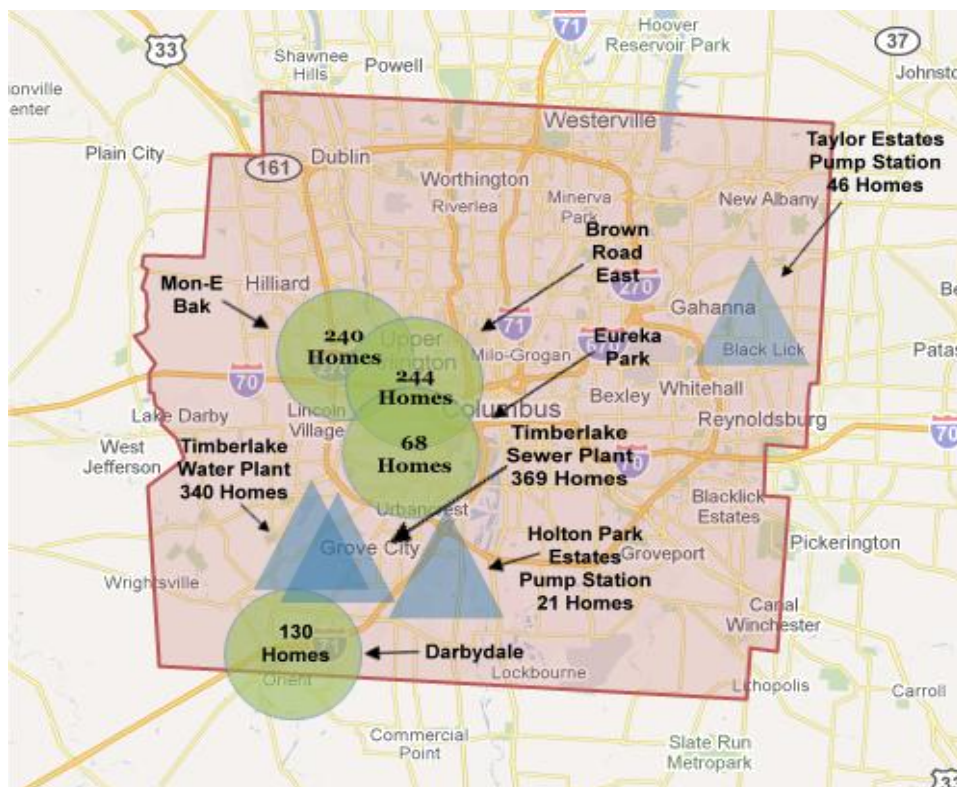
The Recommended Budget includes \$1.3 million to continue General Fund support for a comprehensive storm water management program that will strategically benefit water quality, drainage management, stream corridor protection, and wetlands and floodplain protection. This is a partnership program that includes the County Commissioners, the County Drainage Engineer, the Economic Development and Planning Department, the Sanitary Engineer, the District Board of Health, and the Soil and Water Conservation District. This program also administers illicit discharge testing and sampling efforts, conservation easements, storm-water mapping, and support of the MORPC Greenways program. The Recommended Budget increases support for the District Board of Health's illicit discharge detection and elimination program.

Water Quality Partnerships

The Water Quality Partnership program addresses health concerns caused by raw or inadequately treated sewage entering waterways. The major contributor of this pollution comes from homes built 50 to 60 years ago that rely on failing in-lot home sewage disposal systems. This program targets 21 unincorporated areas of Franklin County that have on-lot septic and aeration systems that have failed or have the potential to fail.

Water Quality Partnership program initiatives will provide 484 homes with unsanitary conditions access to sanitary sewers in 2011, and an additional 364 will gain access in 2012. By the end of 2012, a total of 3,273 homes will have been provided access to sanitary sewers through this county initiative. The county's 2012 program plans are illustrated in the graphic below.

2012 Recommended Budget Water Quality Partnership Projects



Board of Elections

The Recommended Budget includes \$11.4 million to address Franklin County's voting requirements for the 2012 elections. This is an increase of \$2.8 million over the amount in the 2011 Approved Budget to cover the additional costs associated with the 2012 presidential election. However, the Recommended Budget does not include appropriations for conducting a second primary election to be held in June that was included in legislation recently enacted by the Ohio General Assembly. If a second primary is to be held in 2012, it will require an additional budgetary obligation of at least \$1.0 million.

JOBS CREATION AND STRATEGIC ECONOMIC DEVELOPMENT

In addition to the programs in the Economic Development and Planning Department that were mentioned earlier, another important lever of job creation and strategic economic development is the county's support for the operations of the

Columbus-Franklin County Finance Authority (CFCFA). The CFCFA is a political subdivision created under state law by the City of Columbus and Franklin County. The CFCFA provides long term, fixed rate financing incentives for qualified industrial, commercial, and public projects, and works with traditional lending institutions. Credit worthy small and medium sized companies and non-profit agencies can also apply for financial assistance. To date, the CFCFA has issued \$302 million in bond financing on 22 projects that will invest more than \$376 million and create more than 1,518 jobs in Central Ohio. The 2012 Recommended Budget includes \$150,000 in operating support for the CFCFA.

Additional job creation and economic development projects are discussed later in the Community Partnership Contract section.

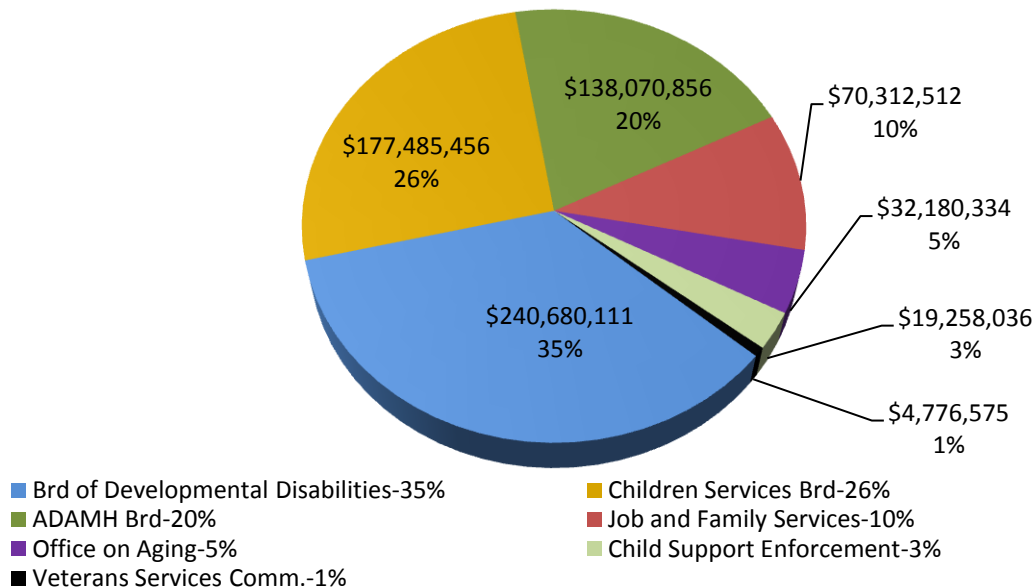
Capital Improvements

The 2012 Recommended Budget contains a significant reduction for capital improvements from the 2011 budget. This is due to the completion of the Common Pleas courthouse, completion of the new animal shelter, and completion of tunnel and pedestrian concourse improvements within the Government Center. The 2012 budget supports the commencement of the Hall of Justice hazard abatement and building rehabilitation project. As in 2011, the purchase of new vehicles in 2012 has been limited to non-discretionary purchases. The 2012 Recommended Budget supports fewer vehicle purchases by providing for an excellent service and maintenance program to keep vehicles road worthy.

HEALTH AND HUMAN SERVICES

As noted earlier, the health and human services category comprises 51.8% of expenditures in the all funds Recommended Budget (a small portion of health and human services expenditures are recorded outside this category: the Community Partnership Contract Services program contains \$3.9 million for health and human services contracts). The following chart breaks out these expenditures by agency. Additional program developments in the category are discussed below the chart.

Health and Human Services, 2012 Recommended All Funds Budget, \$682.8 million



Job and Family Services

This past year, there have been three initiatives started to improve operating efficiencies of the Franklin County Department of Job and Family Services (JFS); namely, the Northland Building Project, the Ohio Works First Center, and the Customer Access Center. JFS strives to meet the daily needs of individuals and families by providing basic financial, medical, and social service programs while working within the backdrop of a recovering economy and constrained public resources. In order to effectively meet the increased demands of its constituency, JFS has committed to embracing innovation, collaboration, and technology to overcome these challenges.

These strategic initiatives rest upon four overarching strategies that provide a balanced approach to enhancing JFS' service delivery and setting forth the priorities and initiatives regarding customers, community partners, staff and internal operations. JFS is focused on empowering customers with improved communication and access to service delivery. JFS recognizes the need for teamwork and will rely on business and community partners. JFS staff are valued and the organization is committed to their development. JFS must meet the increased demands, as well as federal and state performance measures.

Northland Village Complex

JFS will consolidate and co-locate its North Community Opportunity Center (NCOC), Northeast Community Opportunity Center (NECOC), Workforce Development (WFD) division, and the Fulton Street administrative offices into the Northland Village complex. This location will be the prime center where JFS' service delivery will utilize technology-streamlined processes and focused activities to meet increasing demands. The Northland Village building was designed to enhance customer service delivery, and increase staff availability and case coverage.

The building will have two floors with the upper level being the central area for hands-on customer service. Both the combined NCOC and NECOC center and Ohio Works First Center will provide in-person services to customers. The lower level will house the Administrative Office and the Customer Access Center, which will only offer telephonic and computer-based services but will support all JFS locations. These changes align with the organizational goal of providing customers with a variety of internal and external access points to FCDJFS programs and services. It should be noted that through the consolidation of these four locations, the county should realize a cost savings of approximately \$5 million dollars over the next 5 years.

Ohio Works First Center

JFS must meet the mandated work activity participation rates for the all-families (50%) and two-parent families (90%) categories. On September 30, JFS was notified by Ohio Department of Job and Family Services (ODJFS) to submit a Work Participation Corrective Compliance Plan for federal fiscal year (FFY) 2012 as defined by the state's corrective compliance plan with the Department of Health and Human Services, Administration for Children and Families' (ACF). These actions by the state are necessary as the state failed to meet both the two-parent and all-family work participation rates for FFY 2007. These plans are in an effort to prevent imposition of a potential \$32,758,572 penalty and reduction to the State Family Assistance Grant (TANF). The Franklin County all family rate was 21.91%, and the two-parent rate was 21.29% for SFY 2011.

The issues that the OWF Center will focus on include the unassigned, under-assigned, and currently employed participants. Additionally, there will be more attention to tracking and updates to cases which will aid in identifying customers who are non-compliant and initiating sanctions of benefits. Internal policies and procedures will also be created, with guidance from ODFJS, specifying that an OWF applicant must comply with a work activity prior to a cash benefit being issued (Pay for Performance). The new model makes one caseworker responsible for the eligibility determination and the assignment to a work activity. This change, along with adding a vendor to focus on

work sites, work participation activities, placement of participants, and tracking of participation aids in streamlining the process. Other staff will focus on intervention activities for those in danger of not meeting the required hours, or on entering the hours more frequently into the eligibility system to document non-compliance, and allowing for quicker sanctioning of benefits. One unit will also monitor the vendor to validate performance measures. The targeted timeframe for full implementation of the center is February 2012. All of these efforts should aid in JFS meeting the required rates.

Lastly, a small portion of the caseload is assigned to alternative participation activities as they are not able to participate in work activities due to physical or mental limitations. However, while these customers remain in the work participation denominator, alternative activities are not counted toward participation. JFS will continue to monitor alternative participation activity assignments to ensure accuracy and reintegration into countable work activities.

Customer Access Center

JFS' call center has been run as a pilot for over five years. The call center was structured to only support the North and South Opportunity Centers during this pilot. This created an inequity in work volume across all five centers. The Call Center became ineffective and limited in nature. A recent review was conducted to aid in creation of an improved approach utilizing updated technology, identifying organizational challenges and the need to support all five centers.

ODJFS has created a web-based application and changed several rules to support changes to the service delivery model. Franklin County can capitalize on these changes by providing customers with opportunities to apply on-line through the state's web portal, either through their own home computer or through the numerous Ohio Benefit Bank sites throughout the county. Additionally, Franklin County's portal allows various community providers to access customer information without intervention by a case manager. Both of these systems are foundational lynchpins for a successful transition to expanded web based and telephonic applications and reapplications.

The majority of JFS' interactions with customers still occur through costly, labor intensive face-to-face interactions. However, many of the functions performed at the Opportunity Centers can be handled by alternative means. The Customer Access Center (CAC) concept was developed to meet the need for a call center that responds to all customer telephonic inquiries; is timely on all customer reported changes to assure case accuracy; and an application and reapplication center that supports on-line application activities.

As more customers utilize this new service delivery method, this center will be staffed to support a successful transition. Staff in the CAC must be responsive to build a new level of trust by the customer base. The CAC will be launched in phases. The first phase will expand the call center inquiry function to all five centers. This phase will begin in January 2012 after the move to the Northland facility. Phase two, targeted for February 2012, will incorporate the change center. Effective April 2012, all web-based telephonic applications and reapplications will be assigned to the center as staff is added to support these additional functions. These service delivery changes shall reduce lobby traffic and aid in federal timeliness and accuracy measure attainment.

With cuts to the SFY 2012-13 funding, JFS must take extensive measures to improve operational efficiencies. The establishment of the CAC will allow JFS to focus on modernizing case management and support streamlined efficiencies by focusing on specific case activities.

Child Support Enforcement Agency

The Franklin County Child Support Enforcement Agency (FCCSEA) experienced a challenging year in 2011. The enduring aftermath of the recession of 2007-2009 has had a significant impact on an agency responsible for insuring the financial support of children. A struggling economy, budget reductions and a reduction of 36 staff positions have taken a toll on agency operations and collection performance. However, overcoming these challenges has given the agency an opportunity to evolve both internally and through its outreach programs. By re-defining goals, streamlining processes, implementing time management strategies, developing automated processes, prioritizing staff work lists, and creating healthy competition amongst staff, the agency not only endured, but prospered. In a year of economic recovery, the agency had an all time monthly collection record of over \$17.6 million; established more paternity and support orders than any other time in agency history; and, collected around \$11.00 in child support payments for every administrative dollar spent. However, child support is so much more than statistics – it's about people. The idea that has slowly taken root within the child support community over the past decade is focused around family centered strategies that turn non-payers into paying parents. The new philosophy in the child support program is to intervene early to address the underlying reasons for nonsupport—whether it is unemployment, parental conflict, or paternal disengagement. By broadening our strategies and partnering with other programs, we can do more to assure that parents provide their children with financial and emotional support throughout childhood.

In 2012, the agency will eliminate all hard-copy case files and automate all child support business processes. By creating electronic workflows that route tasks to assigned staff, processing time will dramatically decrease and agency oversight will

increase. FCCSEA manages more than 88,000 child support cases and receives about 40,000 pieces of mail each week. Not having to route these documents will be a significant cost and time savings. Other benefits include instant access to cases, faster response to complaints, and time savings for employees to better serve customers. The agency will also explore an interactive web portal which will allow clients the opportunity to participate in the management of their cases. Community outreach efforts will also be expanded in 2012. For example, the agency is partnering with Franklin County Department of Job and Family Services and the Columbus Urban League to provide intensive case management services so that child support obligors, who are food stamp recipients, can find jobs. Though the program has fewer resources in which to operate, it is constantly striving to find innovative ways to get lifeline child support payments into the households of Franklin County.

Alcohol, Drug, and Mental Health (ADAMH) Board

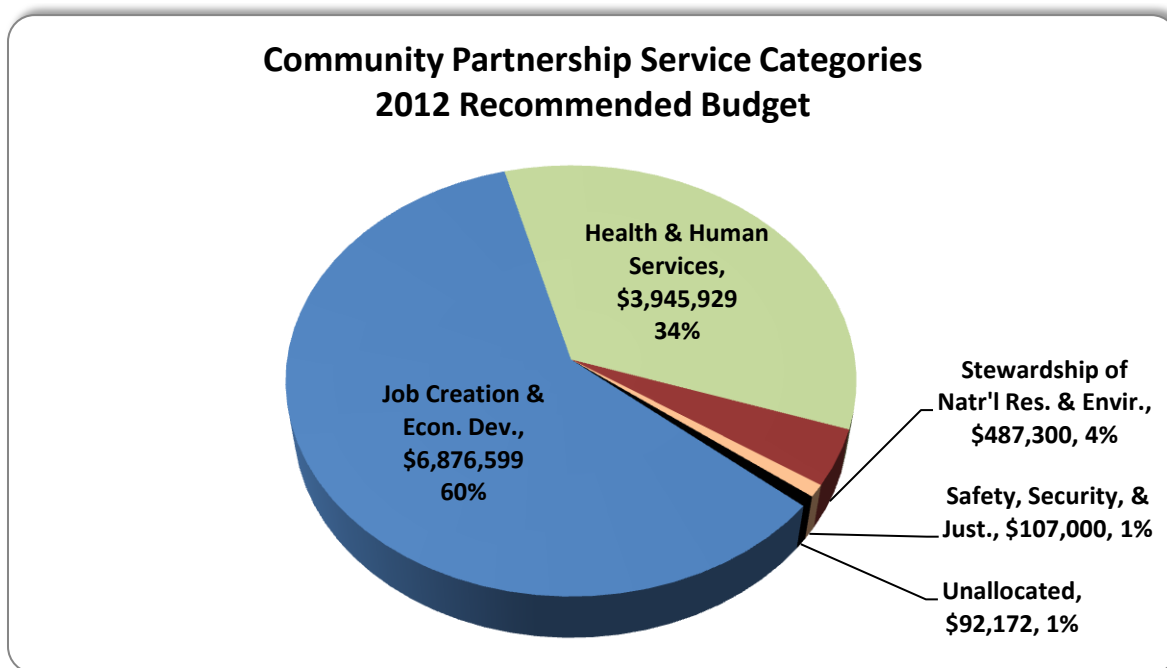
The \$21.3 million decrease in the 2012 Recommended Budget expenditures for ADAMH stems from the state's Medicaid Elevation Program, which started July 1, 2011. This program shifts Medicaid expenses to the State, and the transition is expected to be completed by September 30, 2012. Providers, however, will have 365 days after the date of service to submit claims.

ADAMH is also partnering with neighboring counties to improve information technology. The Multi-Agency Community Services Information System (MACSIS) system will automate payment and management information for mental health, alcohol and other drug services. The MACSIS system is a collaborative effort of Ohio Drug and Mental Health (ODMH), the Ohio Department of Alcohol and Drug Addiction Services (ODADAS), Franklin County ADAMH, Hamilton County ADAMH, and Cuyahoga ADAMH. The combined ODMH/ODADAS outpatient payment information system compiles behavioral health care services for both Medicaid paid and non-Medicaid paid services.

COMMUNITY PARTNERSHIP CONTRACT SERVICES

To promote complete transparency, the Recommended Budget presents all of the county's community partnership service contracts in a single accounting unit. These contracts establish service delivery partnerships with both public and not-for-profit organizations, which are focused on county strategic priorities in this area, including affordable housing and emergency shelter, access to health care services, childhood development and family learning, community safety and security, environmental quality and sustainability, and economic development and job creation, along with support for

the arts and the cultural life of the community. The following chart summarizes expenditures in community partnership contract services by priority area:



Job Creation and Strategic Economic Development

Understanding that the key to economic recovery is investment in county economic development and job creation initiatives, within the Community Partnership Services, the Recommended Budget also provides \$6.9 million for measures targeted at creating and retaining jobs, economic development, and housing programs. One of the largest economic development programs within Community Partnership Services is the county's continued support of the Columbus Airport Authority's operational costs at Rickenbacker Airport (\$2.2 million).

Emergency Shelter & Supportive Housing

The Recommended Budget continues support for the Community Shelter Board (CSB), which remains a national model of success. The CSB assists our county by providing homeless prevention programs, emergency shelter, and supportive housing programs, the need for which continues to rise to record levels due to the impact of the recession. A portion of the real estate transfer fee (RETF) collections is dedicated to pay for the programs and supportive housing services provided by CSB. In 2012, the CSB's contract with the county (\$3,250,000) will support more than 6,734 persons (men, women, and children) requiring emergency shelter and an estimated 1,158 persons in supportive housing. Under CSB's Rebuilding Lives Program, designed to

maintain permanent housing for previously homeless persons, 990 units per month of supportive housing have become operational; another 60 units are under development.

Affordable Housing

The Recommended Budget continues support for the Columbus/Franklin County Affordable Housing Trust Corporation (AHT) which remains a national model program. The AHT is a not-for-profit organization dedicated to the production of affordable homes and apartments, investment in affordable residential development, and construction in older and overlooked areas throughout Franklin County. The AHT facilitates the development and rehabilitation of affordable housing by making loans which enable builders and developers to construct housing with much less financial risk. Over the last five years of operation, the AHT has partnered in financing and generating 4,094 affordable units, 1,253 of which were created in 2010-11.

The Recommended Budget includes \$1.6 million, drawn from real estate transfer fees. In 2012, AHT anticipates production of at least 650 additional units. AHT will continue its commitment to environmentally sensitive measures by including “green” building features in its project award conditions.

Access to Health Care

The ability of Franklin County residents to receive care and treatment for their health needs remains a high priority of the Board of Commissioners, especially regarding the care and health of our community’s children. To that end, in 2010 the Commissioners entered into a five-year collaboration with Nationwide Children’s Hospital to reduce the rate of infant mortality in Franklin County. Entitled the *Ohio Better Birth Outcomes* (OBBO), this local health initiative will aggressively seek to reduce the rate and number of premature births in Franklin County. With a preterm birth rate of 13%, almost double the U.S. public health goal of 6.9%, infant mortality as well as the potential of suffering immediate and long term medical conditions associated with preterm birth are a significant issue facing Franklin County.

A reduced infant mortality will also lead to cost savings for business and government. Costs associated with preterm births average over \$100,000, with care exceeding \$1 million for some. Therefore, improved access to prenatal care provided under the OBBO Initiative will lead to a reduced preterm birth rate as well as decrease health care costs. Franklin County’s \$7 million investment in OBBO, including a \$500,000 installment in 2012, is projected to realize long-term corporate and government savings in excess of \$25 million. In total, the Recommended Budget includes \$3.9 million dollars for Access to Health Care initiatives. As a November 1, 2011 Columbus Dispatch editorial states:

The results are in: The program has enrolled 165 women who previously miscarried or had a baby born too soon. Of the 126 who already had given birth, the average length of pregnancy stretched to more than 35 weeks. That's an average of six weeks and two days longer than before. ... The program began with grim statistics: About 13 percent of the births in Franklin County were premature and the average bill for an infant's stay in a neo-natal intensive-care unit was \$66,000. ... This was a smart investment by Franklin County. ... Statewide, eight out of every 1,000 babies die before their first birthday. Among blacks, 15 of every one thousand don't make it. ... Avoiding lengthy, expensive hospital stays and preventing an array of special education services or lifelong medical treatment is worth the expense. As the Better Birth Outcomes collaborative continues to thrive, so will more babies.

SUMMARY

The 2012 Recommended Budget is made up of investments that are connected to 1) community safety, security, and the effective administration of justice; 2) promoting strategic job creation and economic growth; 3) providing supportive health and human services; 4) promoting good stewardship of the environment and our natural resources ; and 5) providing efficient, responsive, and fiscally sustainable government operations.

The Recommended Budget represents a balanced, results-oriented approach to delivering essential services to the public. Our focus will remain on providing the citizens of Franklin County with the most cost effective government possible while continuing to make necessary investments in human capital and physical infrastructure.

A full round of budget hearings has been scheduled so that a healthy public discussion may take place concerning these 2012 budget recommendations. I look forward to working with the Board of Commissioners as it deliberates and takes action to finalize the 2012 budget.

I would also like to thank all other elected county officials and agency directors for their continued cooperation and service to Franklin County. Special acknowledgement goes to Deputy County Administrator Kenneth Wilson and the professional staff of the Office of Management and Budget for their excellent support in developing these budget recommendations.

Don L. Brown C.G.F.M, CPA (inactive)

County Administrator

November 10, 2012